

# CLARKSON SECURITIES LTD

## Supramax + Handy FFA Report

**July 23rd 2007**

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Email	csf@clarksons.com
USD/Yen	121.320
UK/USD	2.0585
180CST Rdam	394.5
MDO Rdam	582.5

BSI	6TC AVG	Euro/USD
4638	\$47325	1.3816
+33		

Basic Supramax Index		\$/day	Change	Mthly Avg
1 Cont - South Amer	46,400	+225	+2,100	
2 Black Sea - Far East	46,400	+225	+2,247	
3 Transpacific RV	41,415	+251	+2,405	
4 Far East - Cont	42,440	+222	+2,100	
5 USG - East	70,000	+1005	+2,503	
6 Cont - Asia	50,775	+272	+2,402	
7 180CST Rdam to Far East	50,400	+214	+2,210	
8 180CST Rdam to India	50,400	+204	+2,204	
9 STC Average	47,400	+244	+2,275	

Supramax FFA Curve 6TC		one day	7 day	
Bid	Offer	change	change	
Q3	46500	47000	+375	+2505
Q4	46500	47250	+500	+2625
Q1	41750	42500	+250	+2125
Q1+2	40500	41500	+250	+2000
CAL 08	37750	38750	+750	+3505
CAL 09	27750	27500	+125	+1750

Basic Handy size Index		\$/day	Change	Mthly Avg
1 Cont - South America	26,805	+272	+2,061	
2 Cont - North America	27,464	+250	+2,671	
3 South America - Cont	45,278	+321	+2,730	
4 USG / NCUSA - Cont	50,470	+495	+4,447	
5 SE Asia - Africa - China-Jap	29,564	+13	+2,005	
6 S Korea - Jap / NCAPAC - Sing-Jap	26,524	+53	+2,466	
7 STC Average	32,604	+236	+2,264	

Handysize FFA Curve 6TC		one day	7 day	
Bid	Offer	change	change	
Q3	30500	\$2000	0	
Q4	30500	\$2000	0	
Q1	27500	29000	+250	+750
Q1+2	26500	29000	+250	+1000
CAL 08	26250	26750	+500	+250
CAL 09	18750	20250	+250	+1750

### Today's Comments:

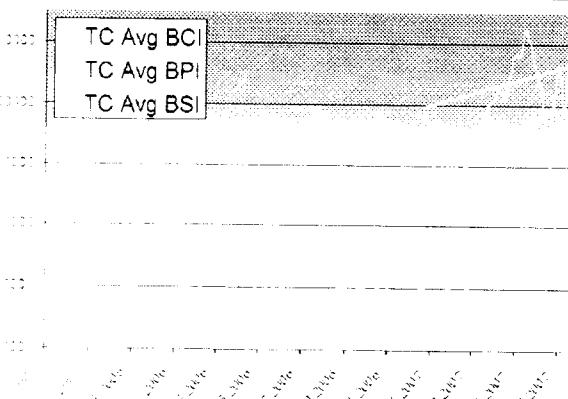
The BTA followed the Indians on the way up today. It is encouraging to see the index going up with big steps, allowing the Supramax FFA's to rise without getting into corrections. Most attention today was on the prompt periods, and it should be only a matter of time before the Q1 and Q1+2 go further up.

Looking at the physical market for fundamental guidance, there is continued strength in both the Atlantic and Pacific. With increased petrolio and grain stems out the USG driving the Atlantic and a Pacific port market that continues to keep the spot market well supported, it would seem the BSI should continue to firm through the week. Fundamental support further down the FFA curve is also coming from continued port interest for delivery during next year, with less of a forward discount than on the paper.

For technical guidance, have a look at the graph below. One of the key drivers of the dry freight market is the freight rates on the Canes. There is both a red resistance line and a green supporting slope in the graph. These lines are heading into a flag which should mean that the index has to break either the support or the resistance line. With the Q4 resistance (40400/40400%) it is likely to break out of the resistance and head north. This is supported by Capo fundamental expectations of building iron ore stocks during Q4.

For now it is a matter of keeping a close eye on this flag situation, because a more or less flag tends to cause an over reaction which will obviously cause movement in the smaller sizes.

BSI 4638 6TC Avg: \$47325 BCI 7145 6TC Avg: \$47325 +341 CAL 08 27750 6TC Avg: \$27500 +125 CAL 09 18750 6TC Avg: \$18750 +125



Smax / Pmax Spreads (based on mid price)				
	Pmax	Smax	SPREAD	ratio
Q3	57375	46750	10625	23%
Q4	55250	46675	8575	18%
Q1	49625	42125	7500	18%
Q1+2	48750	41000	7750	19%
CAL 08	44375	36250	6125	16%
CAL 09	31875	27625	4250	15%

Smax / Handy size Spreads (based on mid price)				
	Smax	Handy	SPREAD	ratio
Q3	46750	31250	15500	50%
Q4	46875	31250	15625	50%
Q1	42125	28250	13875	49%
Q1+2	41000	27750	13250	48%
CAL 08	38250	25500	12750	50%
CAL 09	27625	19500	8125	42%